INPUT®

The Authority on Government Business.

Management Presentation

INPUT Inc

May 2010

© 2010 by INPUT. All rights reserved.

Proprietary & Confidential

INPUT

- This information is proprietary and confidential and shall be treated in accordance with the confidentiality agreement previously entered into between the Company and the recipient.
- This information is being furnished solely for use by prospective investors in connection with their consideration of an acquisition of, an investment in, or other transaction involving the Company.
- Neither the Company nor any of its affiliates, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of any of this information, and each of such persons expressly disclaims any and all liability relating to or resulting from the use of this information by a prospective investor or any of their affiliates or representatives.
- Only those particular representations and warranties, if any, which may be made by the Company to an investor in a definitive written agreement, when, as and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.
- The financial projections presented herein represent the subjective views of the management of the Company and management's current estimates of future performance based on various assumptions which may or may not prove to be correct. The Company wishes to caution recipients that many factors could cause the Company's actual results to differ from those projected in the forward-looking statements made by the Company. There can be no assurance that management's views are accurate or that management's projections will be realized. Industry experts may disagree with these assumptions and with management's view of the market and the prospects for the Company.
- This information has not been filed with, or reviewed by, the Securities and Exchange Commission ("SEC") or any securities regulatory authority of any state, nor has the SEC or any such authority passed upon the accuracy or adequacy of this information.
- This information does not constitute an offer to sell or solicitation of an offer to buy any securities. The sole purpose of this information is to assist prospective investors in deciding whether to proceed with a further investigation and evaluation of the Company in connection with their consideration of an acquisition or other investment in the Company. This presentation does not purport to contain all information which may be material to an investor and recipients should conduct their own independent evaluation of the Company.

© 2010 INPUT. All rights reserved.

Contents

- Introduction
- Executive Summary
  - Financial Data
  - Trends
- Present, 2010
- Future
- Conclusion

© 2010 INPUT. All rights reserved.

Introduction

© 2010 INPUT. All rights reserved.

INPUT Proprietary and Confidential

About INPUT

- 1974 – 2000
  - Market research for IT software and services industry
  - HQ in SF Bay area, offices in Europe, US and Japan
- 2000 – 2010
  - Delaware corporation with HQ Reston VA
    - Market intelligence for public sector IT contractors
    - People: <20 in 2000 to 200 in 2010
    - Revenues: $<2 million in 2000 to $30 million+ in 2010

© 2010 INPUT. All rights reserved.

About INPUT

- Reason for transaction:
  - Peter Cunningham turns 70 in 2011
  - Family wishes to realize capital liquidity
    - 80% plus owned by Cunningham family vehicle
    - Other ownership – directors and employees
- Company is at a good transition point:
  - Growing, profitable, strong cash position, no debt
  - Tremendous upside potential with right partner
- Peter Cunningham has strong preference for continued involvement in growth of company

© 2010 INPUT. All rights reserved.

Vision and Mission

Vision

The essential resource for information, intelligence, and insight for public and private sector business

Mission

Be the leading global provider of public sector business information and analysis solutions that help buyers and sellers conduct business more effectively, and that create value for our members, employees, partners and shareholders

Core Values

INNOVATION	**Constantly innovate**
NIMBLENESS	**Agile, fast and decisive**
PEOPLE	**Respect and grow people**
UNDERSTANDING	**Knowledge + action = success**
TRUST	**Integrity engenders trust**

Operating Principles

Be a well organized team
Centralize shared functions
Manage through a set of Practices
Provide highest quality in everything we do
Be a pleasure to work with and for

© 2010 INPUT. All rights reserved.

Executive Summary

© 2010 INPUT. All rights reserved.

INPUT Proprietary and Confidential

Markets Served

INPUT

Federal

- Companies seeking participation in federal contracts
  - Prime contractors
  - Partners and sub-contractors
- Target customer base
  - Over 32,000 companies in the Federal markets we address in 2010
  - Over 260,000 contractors in all market sectors in 2010

State & Local

- Companies seeking state & local government contracts
- Target customer base
  - Over 49,000 companies in the S&L markets we address in 2010
  - Over 275,000 contractors in all market sectors in 2010

Institutional Investor

- Private equity, venture capital, mutual and hedge funds that invest in companies with significant revenue from government contracts;
  - Large, public companies affected by major procurements
  - Small, private companies potential for equity investment or acquisition

© 2010 INPUT. All rights reserved.

2009 P&L, Comparative

	2008 Year Actual ($000s)	2009 Year Actual ($000s)	% Change	
Orders	23,974	28,422	19%	↑
Revenue	22,809	25,871	13%	↑
Cost of Services	9,303	9,581		
% of Revenue	*41%*	*37%*		
Gross Income / (Loss)	13,506	16,290	21%	↑
Gross Profit %	*59%*	*63%*	*4%*	↑
Sales & Marketing	5,745	6,712		
% of Revenue	*25%*	*26%*		
R&D	1,444	1,593		
% of Revenue	*6%*	*6%*		
G&A and Corporate	5,255	5,501		
% of Revenue	*23%*	*21%*		
Bonus and Other	517	1,158		
% of Revenue	*2%*	*4%*		
EBITDA	546	1,326	143%	↑
% of Revenue	*2%*	*5%*		
Pro-forma EBITDA[(1)]	1,837	2,625	43%	↑
% of Revenue	*8%*	*10%*		

Pro-forma EBITDA adds back corporate expense, stock compensation expense and non-recurring items.

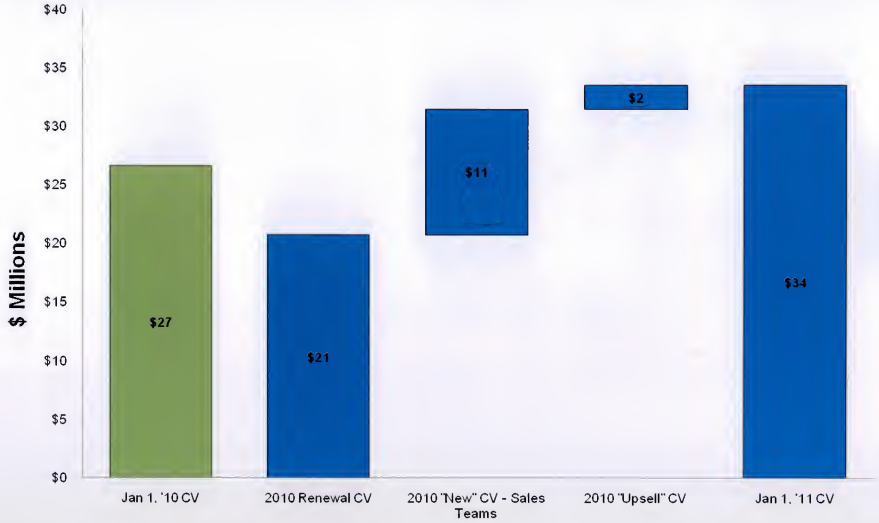
© 2010 INPUT. All rights reserved.

March 2010 QTD Highlights

- Sales Orders ahead of Plan ($265K / 3%)
  - 22.8% improvement vs. Q1 2009
- Renewal Rate 83% vs. 80% Plan
  - Also better than the 75% Q1 2009 figure
- "New" Sales (sales to New Members) above Plan
  - $151K / 8% above Plan YTD
  - 29% improvement vs. Q1 2009
- Profitability exceeds EBITDA Plan of $505K

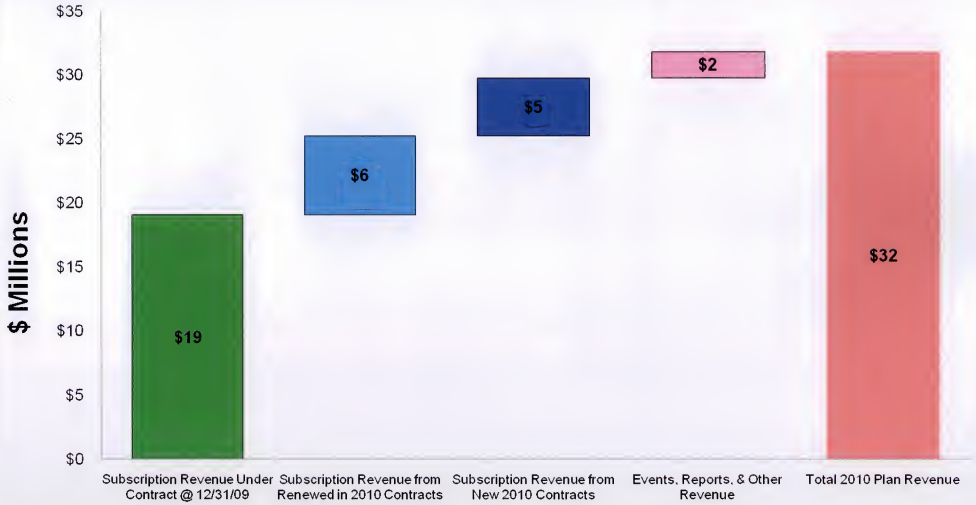
© 2010 INPUT. All rights reserved.

2010 Subscription Contract Value (CV)



© 2010 INPUT. All rights reserved.

2010 Revenue

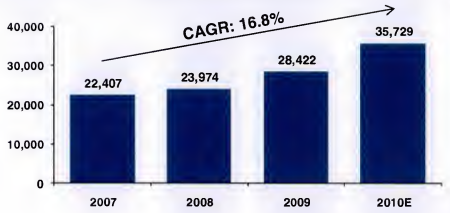


© 2010 INPUT. All rights reserved.

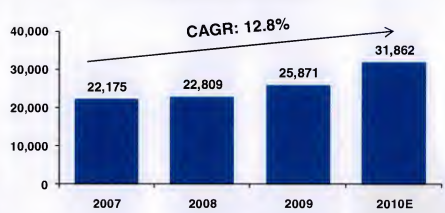
Trends

INPUT

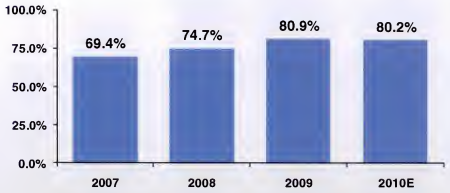
Bookings ($000s)



Revenue ($000s)

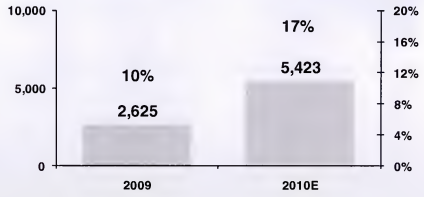


Renewal Rates



2010E reflects increased non-strategic members, not a decrease in rate for any member tier

Pro-forma EBITDA & Margin

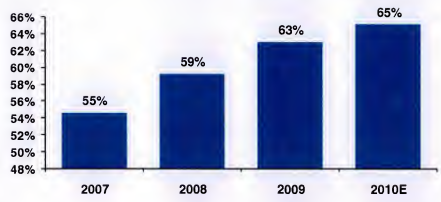


© 2010 INPUT. All rights reserved.

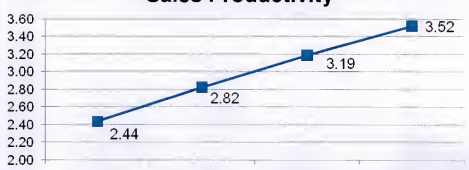
Trends

INPUT

Gross Profit %

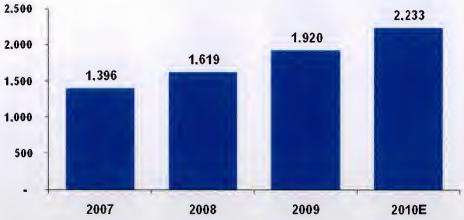


Sales Productivity

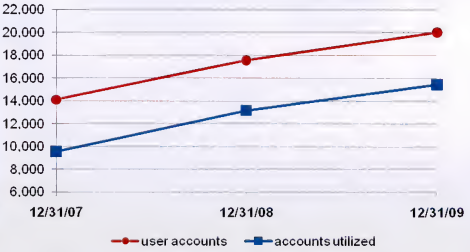


Subscription Order $'s per Sales & Mbr Svcs $ Expense

Membership Growth



User Accounts & Utilization



© 2010 INPUT. All rights reserved.

P&L Plan 2010 – 2012

	2009 ($000s)	2010E ($000s)	2011E ($000s)	2012E ($000s)
Orders	28,422	35,729	46,172	60,054
Growth Rate	*19%*	*26%*	*29%*	*30%*
Subscription Renewal Rate	*81%*	*80%*	*80%*	*80%*
Revenue	25,871	31,862	40,422	53,018
Growth Rate	*13%*	*23%*	*27%*	*31%*
Cost of Services	9,581	11,124	12,792	14,711
Gross Profit	16,290	20,739	27,630	38,307
GP %	*63%*	*65%*	*68%*	*72%*
Operating Expenses	14,964	16,174	19,035	23,640
EBITDA	1,326	4,565	8,594	14,666
EBITDA Margin	*5%*	*14%*	*21%*	*28%*
Depreciation & Amortization	506	1,003	1,574	1,834
Operating Income / (Loss)	820	3,562	7,020	12,832
Operating Margin	*3%*	*11%*	*17%*	*24%*
Pro-forma EBITDA[1]	2,625	5,423	8,744	14,866
Pro-forma EBITDA Margin	*10%*	*17%*	*22%*	*28%*

Note: Pro-forma EBITDA adds back corporate expense, stock compensation expense and non-recurring items.

© 2010 INPUT. All rights reserved.

Balance Sheet Data 2010 - 2012

	2009 ($000s)	2010E ($000s)	2011E ($000s)	2012E ($000s)
Cash	7,664	10,397	15,130	26,875
A/R and Fixed Assets	5,576	7,546	9,857	11,631
Other Assets	1,964	2,321	2,605	2,847
Total Assets	15,204	20,264	27,592	41,352
Deferred Revenue	12,158	15,207	17,786	23,328
A/P and Other Liabilities	3,996	3,720	3,864	3,841
Stockholders' Equity	(951)	1,337	5,942	14,184
Total Liab. & S/H Equity	15,204	20,264	27,592	41,352

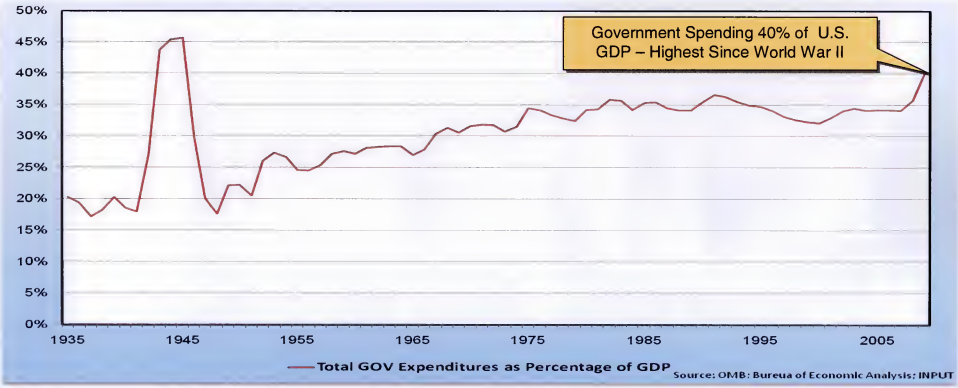
© 2010 INPUT. All rights reserved.

Present, 2010

© 2010 INPUT. All rights reserved.

INPUT Proprietary and Confidential

U.S. Total Government Expenditures Share of GDP 1935–2009



© 2010 INPUT. All rights reserved.

Summary

Leading provider of B2G information services in public sector

- Recurring revenue model with high forward visibility:
  - Over 90% of revenues are annual subscriptions
  - Over 80% renewal rate
  - $6 Million in multi–year contracts
- Strong processes and disciplined culture

© 2010 INPUT. All rights reserved.

Summary

- Premium brand with a premium price
- Member satisfaction ratings 4 on a 1 to 5 scale
- Web-based with highly proprietary software (Content & Context)

© 2010 INPUT. All rights reserved.

Connecting B2G

INPUT

Government Agencies

- 79 Federal Agencies
- 50 State Governments, plus the District of Columbia
- 67,000 Local Governments

Information

Industry Analysis

INPUT

Community

Personalization

Workflow

Private Sector Contractors

- More than 2,000 companies
- More than 20,000 users

- What government will buy;

Market analysis & 5-year forecasts
$1.7 trillion in federal opportunities
$500 billion in S&L opportunities

- Who will buy:

1.7 million relevant govt. contacts

- Who to partner with:

30,000 individuals in teaming ap.
500,000 federal contractors

Key Benefits

- Planning information
- Support for procurement decisions
- Identification of potential contractors:
  - -450,000 prime contractors
  - -690,000 small businesses

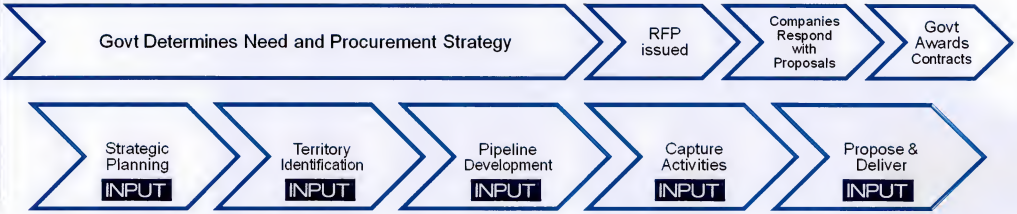
Key Benefits

- Develop sales and business plans
- Identify and track sales targets
- Increase chances of winning awards
- Track competition
- Find teaming partners

© 2010 INPUT. All rights reserved.

Business Development Process Served

INPUT solutions address the full spectrum of the business development process



INPUT benefits:

- Improve sales and marketing productivity
- Find and capture new business
- Force multiplier
- Identify, qualify & connect with teaming partners
- One stop shop

© 2010 INPUT. All rights reserved.

Offerings

Strategic Area	INPUT Services
Information	• Opportunities, Task Orders & Contracts • Agency, Department & Vertical Profiles • Organization Charts & Contacts • Vendor Profiles • Labor Pricing
Analysis	• Industry Analysis • Market Forecasts • Vendor Performance • Opportunity Advisor • Capture Intelligence • Government Investment Advisor

© 2010 INPUT. All rights reserved.

Offerings

Strategic Area	INPUT Services
Personalization	• MyINPUT • Member Support • Disaggregated data
Community	• Teaming Profiles • INPUT Network™ • Events • Government Related Communities • Social Media
Workflow	• CRM Integration (Salesforce.com, Deltek govWin, etc.) • Task Order Opportunity Notification System • Market-segment specific SaaS and integration tools

© 2010 INPUT. All rights reserved.

Organization Chart

© 2010 INPUT. All rights reserved.

Sales Process, Federal and S&L

Sources of Leads:

Marketing Promotions

Web Site Traffic

Outbound Cold Calling

Qualified Prospects (QP's) Automatically Rated in CRM for both Federal and S&L Market Fit.

Sales Development Reps (SDR's) Qualify for Budget, Authority, Need and Timing, Transition to Sales Reps for Action as Qualified.

SDR's also do outbound cold calling on prospect lists.

Sales Representatives take QP's from Prospect to Lead to Close via WebEx demos, Trials.

All leads are managed through sales pipeline system.

Average sales cycle is 45-60 days, longer with Enterprise Accounts.

Seasoned SR's average 3 transactions per month.

© 2010 INPUT. All rights reserved.

Sales Process, GovIA and CI

INPUT

GovIA	Portfolio Analysis of Targeted Investment Firms	Focused Calling into Investment Firms, Use of Specialized PR Firm.	Review of Current Intelligence Process, Exposure to Analysts and Content	Trial Use by Fund Managers to Validate Value of Intelligence	Fund Manager or Director of Research Decision Maker and Budget Source.
CI	Likely Bidders of Specific Programs	Industry Networking Events, Govt Industry Days, Focused Sales Call Efforts	Review of Competitive Intelligence Process, Demonstration of Program Knowledge	Review of Relevant Program Pipeline and In Depth Discussions with INPUT CI Analysts	Capture Executive Decision Maker, Business Development or Bid & Proposal Budget Source.

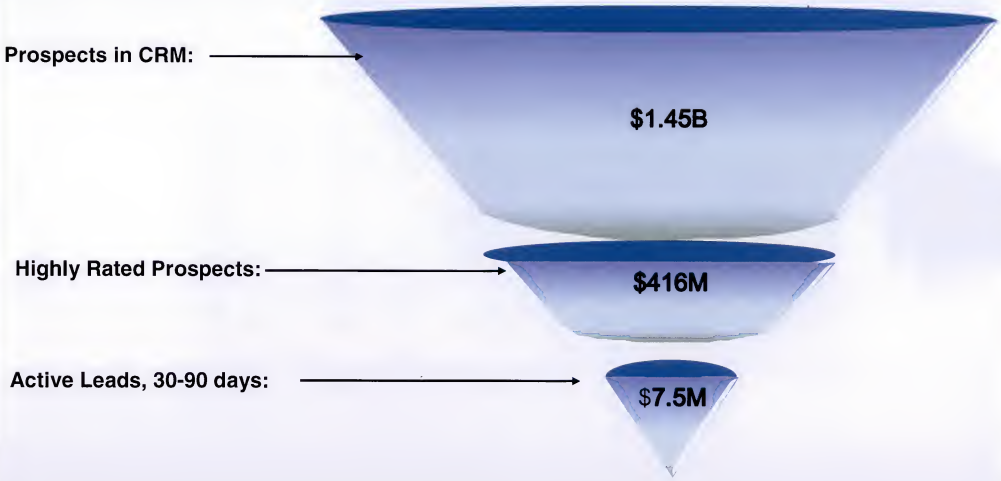
© 2010 INPUT. All rights reserved.

Sales Structure

- Sales reps for core Federal and S&L
  - Sell both Federal and S&L products.
  - SDR's identify qualified prospects.
- Specialized Sales Reps
  - New Investment Services Market (GovIA)
  - New Buyers in Core Markets (Capture Intelligence)
- New Vertical Sales Reps for S&L
  - Justice and Public Safety first vertical.

© 2010 INPUT. All rights reserved.

New Business Prospect Pool



Marketing Functions

INPUT

Events	•CIO Breakfasts •Seminars •Teaming Events •Webinars
Media Relations	•Media Releases •Press Interviews with Analysts
Web Marketing	•Email Promotions •Web Optimization (SEO/SEM) •Online Advertising (Google Adwords, Banner Ads)
Product Marketing	•Messaging •Collateral •Product Launch •Sales/Member Services Training •Member Surveys

© 2010 INPUT. All rights reserved.

Member Services Renewal Process

INPUT

First 90 Days | Ongoing and Continuous

Creates an Early High-Degree of Personalization

- ❑New User Set-Up
- ❑Training
- ❑Building the Member Profile
- ❑Conveying Service Level Commitments and Setting Expectations

Most Correlated Indicator of Renewal Health

Product-Level Focus

- ❑Proactive Profile Customization
- ❑Member Awareness Campaigns
- ❑Training -- Revisited
- ❑Proactive Research

Allows for Targeting and Segmentation

- ❑Using Dashboards and Metrics to Gauge Member Health
- ❑Proactive Research

Facilitates Planning for Retention and Growth

- ❑Survey Member Satisfaction
- ❑Identify New Buyers
- ❑Build Up-Sell Pipeline
- ❑Solicit New Product Development Feedback

Renewal Process Begins 90 Days in Advance

Up-Sell Process is Ongoing

- ❑*Revisit Member Need*
- ❑*Introduce New Offerings*
- ❑*Develop New Users*

© 2010 INPUT. All rights reserved.

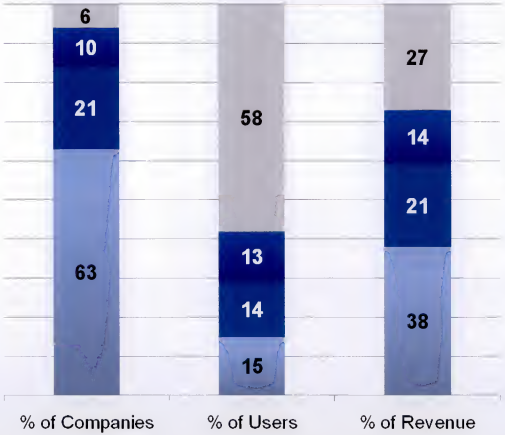
Member Services (MS) Organization

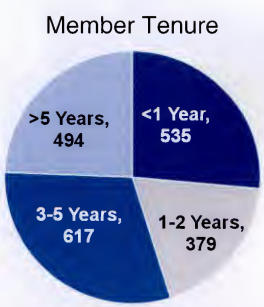
- 27 non-Strategic MS staff for ~1900 accounts
  - Each Member Advisor serves ~80 accounts
  - Renewal quota $650K/MA
- 7 Strategic MS staff serving 85 Strategic Accounts:
  - Renewal quota $1.1M
  - Up-sell quota$175K
- Dedicated Up-Sell Team:
  - 5 Staff serving non-Strategic Accounts
  - 2010 team quota of $1.45M

© 2010 INPUT. All rights reserved.

Membership Metrics

- Small Segment is the biggest Segment in terms of Revenue, GM and # of Companies
- Strategic Segment includes more than 1/2 of Users





© 2010 INPUT. All rights reserved.

Automated Data Collection Process

Web Extraction Scripts and Processes

- Automate collection of structured & semi-structured data
- Cleanse some of the data and put it in work queue for next phase

Analysts Use Work Queue to:

- Cleanse, classify and verify data
- Offshore and in-house staff used in this process

Once processed, the data is deployed by:

- Loading data into production systems
- Updating summarized views and graphics
- Alerting members of new/updated content

Types of Data Collected

Procurement
Contacts
Contract/Grant Data
Labor Pricing
Task Orders
Budgets
Industry News

Sources of Data

Government: Executive, Legislative and Judicial
Media, Associations, Vendors, others

© 2010 INPUT. All rights reserved.

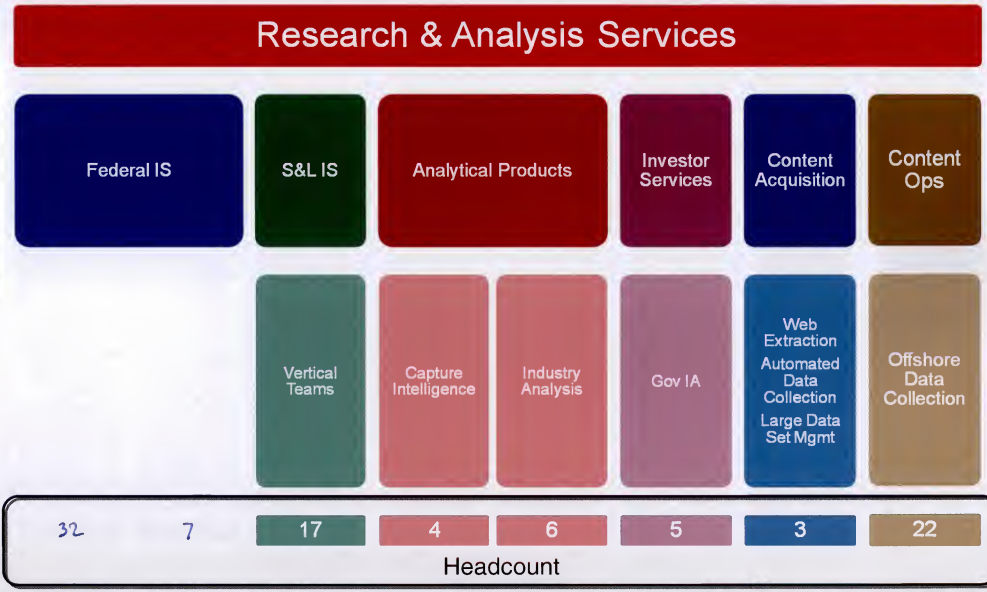
Sources of Information

Sources of Information	Govt. & Vendor Contacts	Opportunities	Agency Profiles	Vendor/Teaming Profiles	Contracts/Task Orders	Labor Rates	Industry Analysis	Opportunity Advisor	Capture Intelligence	GovIA
	Information						Analysis			
3rd Party Sources (news, associations, events)	X	X	X	X			X	X	X	X
Government Data (data sets, Web sites, FOIA)	X	X	X	X	X	X	X	X	X	X
Phone Interviews - Offshore	X									
Phone Interviews - INPUT Staff	X	X	X		X		X	X	X	X
Face to Face Interviews		X	X				X	X	X	X
User Generated Content	X			X						

- 20,000 contacts/month with government to validate and update
- Continuous Contact with Government:
  - Nearly 3,000 Government Employees use INPUT services for free
  - Government speakers participate in INPUT events.
  - INPUT participates in many Government panels and speaks at Government events

© 2010 INPUT. All rights reserved.

Research & Analysis Services Organization



© 2010 INPUT. All rights reserved.

Competitive Landscape

Attribute	INPUT	FSI	Onvia
Data Timeliness			
Analysis			
Service Model			
Community			
Data Quality			
Breadth of offering			

INPUT is the market leader with superior solution

© 2010 INPUT. All rights reserved.

Future

© 2010 INPUT. All rights reserved.

INPUT Proprietary and Confidential

INPUT Market Opportunity and Penetration

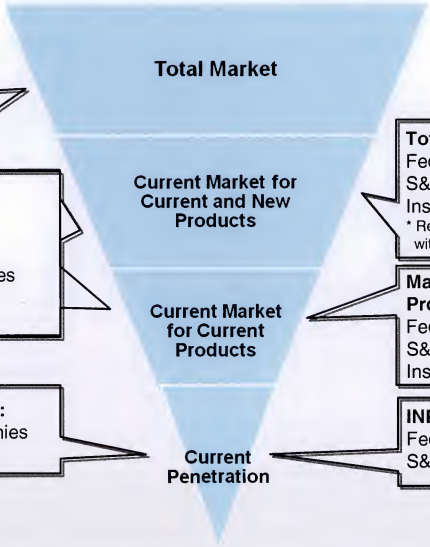
INPUT

Organizations

Total Market:
Federal Vendor: 260,000 companies
S&L Vendor : 275,000 cos
Inst'l Investors: 16,000

Market in INPUT's Current Segments:
Federal Vendor: 32,000 companies
S&L Vendor : 49,000 companies
Institutional Investors: 1,000 companies

INPUT's Current Penetration:
Federal Vendor: 1,900 companies
S&L Vendor : 550 companies



Market Size

Total Market in Current Markets
Federal Vendor: $5 B
S&L Vendor : $5B
Institutional Investors: $3B
* Represents external spend in 3 functions within INPUT's currently targeted segments

Market for INPUT's Current Products:
Federal Vendor: $280 M
S&L Vendor : $275 M
Institutional Investors: $280M

INPUT's Current Penetration:
Federal Vendor: $23.2M (8%)
S&L Vendor : $4.5M (2%)

© 2010 INPUT. All rights reserved.

Trends Impacting INPUT's Business

Market Trends	Market Impact	INPUT Response
Government and private data becoming more accessible	▪ Opportunity to integrate/augment products ▪ More data = More confusion	▪ Leverage govt data to provide *information* ▪ Organize and personalize it ▪ Provide analysis
Expanding role of government – •Direct •Through regulation •By influence	▪ Greater dependence on government funding ▪ Greater dependence of government on vendors ▪ Wider need for support	▪ Expand into new markets ▪ Build communities ▪ Serve government itself ▪ Expand user base
New Entrants to B2G •Large •Small	▪ Market validation ▪ Increased competition	▪ Focus on differentiation and speed of execution ▪ Leverage market position now

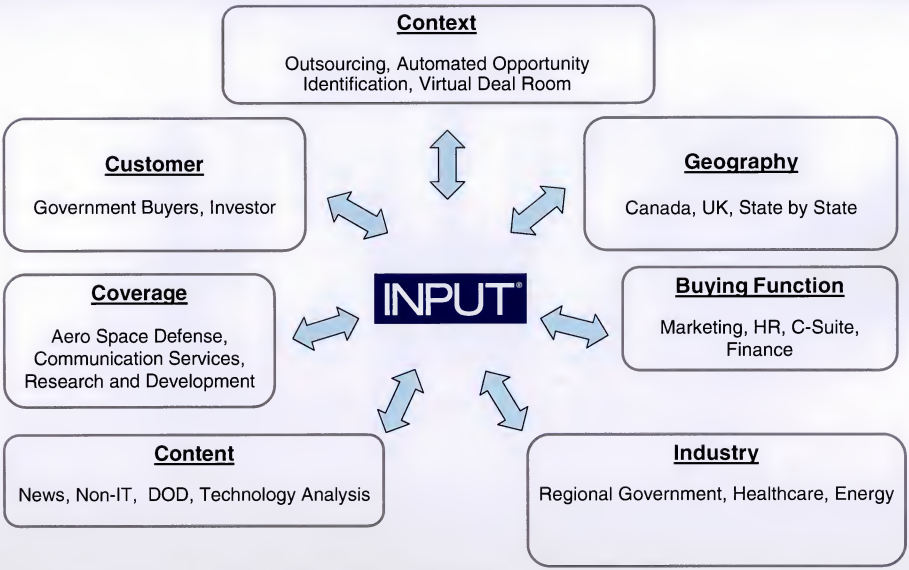
© 2010 INPUT. All rights reserved.

Identified New Products

Market/Product	2010	2011	2012	Information	Analysis	Personalization	Community	Workflow
Federal Vendor								
Solutions for Small Businesses	✓			✓		✓		
Solution for Product Companies	✓			✓		✓		
Vendor Intelligence	✓				✓			
Teaming Collaboration	✓						✓	✓
Advertising Through Government Community		✓					✓	
Advertising Teaming Network		✓					✓	
S&L Vendor								
S&L for Engineering Firms	✓			✓		✓		
Government Community		✓		✓		✓	✓	
Solutions for Small Businesses		✓		✓		✓		
S&L Complete for Product Companies			✓	✓		✓		
Vendor Intelligence		✓			✓			
Institutional Investor								
Government Investment Advisor	✓				✓			
M&A Services		✓			✓	✓		
Private Company Database	✓			✓				

© 2010 INPUT. All rights reserved.

Expansion Strategy



© 2010 INPUT. All rights reserved.

Acquisition Possibilities

Company	Content	Context/ Software etc	Customer	Coverage	Geography	Buying Function	Industry
WMG/FSI	√	√	√				
ONVIA			√	√	√		
DACIS	√		√	√			√
AVASCENT		√		√		√	
COMPUSEARCH	√	√	√			√	
ACQUISITION SOLUTIONS			√			√	√
LEADERSHIP DIRECTORIES	√		√			√	√
1105 MEDIA	√	√				√	√
BIP	√		√		√		

© 2010 INPUT. All rights reserved.

Potential New Markets

- Federal Government buyer market
- State & Local Government buyer market
- International government vendor and buyer markets
- Health Care
- Energy (Government funded initiatives)

© 2010 INPUT. All rights reserved.

Conclusion

© 2010 INPUT. All rights reserved.

INPUT Proprietary and Confidential

Summary

INPUT

- Trusted partner in an expanding market
- Robust and scalable business model
- Recurring revenues with strong renewal model
- Strong revenue and profit growth
- Major barriers to entry: software, data, people
- Established and growing Communities
- Small current market penetration
- Many opportunities for new products/services
- Very large new industry opportunities

© 2010 INPUT. All rights reserved.

Conclusion

INPUT provides a unique opportunity to acquire the leading company in a growth market with excellent long term potential and predictability.

© 2010 INPUT. All rights reserved.

Q&A

INPUT

© 2010 INPUT. All rights reserved.

Contacts

For additional information, please contact:

Rob Louv
ArchPoint Partners
Managing Partner
415.827.4775
rob@archpointpartners.com

© 2010 INPUT. All rights reserved.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

INPUT, Inc.

December 31, 2008 and 2007

INPUT, Inc.

Consolidated Balance Sheets

December 31.	2008	2007
Assets		
Current Assets		
Cash and cash equivalents	$ 4,100,257	$ 1,550,330
Short-term investments	—	716,476
Accounts receivable, net of allowance for doubtful accounts of $211,220 and $240,899, respectively	3,128,060	3,458,406
Prepaid expenses and other current assets	1,283,756	1,302,064
Total current assets	8,512,073	7,027,276
Property and equipment, net	849,995	598,294
Other assets	328,683	338,077
Total Assets	$ 9,690,751	$ 7,963,647
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	$ 174,560	$ 218,988
Accrued expenses	1,659,287	1,444,181
Capital lease obligation, current portion	29,894	13,313
Deferred revenue, current portion	10,232,095	9,687,189
Total current liabilities	12,095,836	11,363,671
Other Liabilities		
Deferred revenue, noncurrent portion	327,034	272,903
Capital lease obligation, noncurrent portion	46,598	14,273
Deferred rent	789,740	—
Total Liabilities	13,259,208	11,650,847
Commitments and Contingencies (Note G)	—	—
Stockholders' Deficit:		
Common stock, $0.001 par value – authorized, 20,000,000 shares; issued and outstanding, 8,866,010 and 8,866,010 shares at December 31, 2008 and 2007, respectively	8,866	8,866
Additional paid-in capital	180,728	82,087
Treasury stock, 433,500 and 398,500 shares, respectively – at cost	(445,388)	(406,638)
Accumulated deficit	(1,326,981)	(1,661,754)
Accumulated other comprehensive loss	(9,818)	(10,510)
	(1,592,593)	(1,987,949)
Promissory notes receivable from principal stockholders	(142,253)	(142,253)
Short-term investment – collateral for personal loan of principal stockholders	(1,833,611)	(1,556,998)
Total stockholders' deficit	(3,568,457)	(3,687,200)
Total Liabilities and Stockholders' Deficit	$ 9,690,751	$ 7,963,647

The accompanying notes are an integral part of these statements.

INPUT, Inc.

Consolidated Statements of Operations

For the years ended December 31,	2008	2007
Revenue	$ 23,188,446	$ 22,847,853
Operating Expenses		
Cost of revenues	10,836,859	10,662,122
Sales and marketing	7,028,923	7,743,623
Research and development	1,575,243	1,702,812
General and administrative	3,201,661	2,721,098
Depreciation and amortization	398,562	445,406
Total operating expenses	23,041,248	23,275,061
Income (Loss) from operations	147,198	(427,208)
Other Income	154,570	244,043
Income (Loss) before Income Taxes	301,768	(183,165)
Income Tax Benefit	33,005	1,331
Net Income (Loss)	$ 334,773	$ (181,834)

The accompanying notes are an integral part of these statements.

INPUT, Inc.

Consolidated Statements of Cash Flows

For the years ended December 31,	2008	2007
Cash Flows from Operating Activities		
Net income (loss)	$ 334,773	$ (181,834)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	398,562	445,406
Provision for doubtful accounts and reserves	(29,124)	(11,834)
Gain on disposal of fixed assets	(40,277)	(2,828)
Barter activity, net	—	(4,000)
Deferred income tax benefit	(46,207)	(270)
Stock-based compensation expense	98,641	14,469
Amortization of discount on related-party notes receivable	(4,458)	(4,118)
Changes in operating assets and liabilities:		
Accounts receivable	359,470	434,849
Prepaid expenses and other current assets	41,781	(152,103)
Other assets	(9,455)	(56,834)
Accounts payable and accrued expenses	204,527	5,661
Deferred revenue	591,537	(660,975)
Deferred rent	789,740	—
Net Cash Provided by (Used in) Operating Activities	2,689,510	(174,411)
Net Cash Provided by (Used in) Investing Activities		
Purchase of property and equipment	(561,198)	(307,539)
Proceeds from sale of property and equipment	45,035	8,425
Purchase of short-term investments	(2,070,731)	(4,315,986)
Proceeds from sale of short-term investments	2,510,594	4,492,512
Proceeds from life insurance policy	—	211,980
Net Cash (Used in) Provided by Investing Activities	(76,300)	89,392
Cash Flows Provided by (Used in) Financing Activities		
Repurchase of common stock	(57,750)	(294,657)
Proceeds from exercise of stock options	19,000	6,250
Principal payments on capital lease obligations	(24,387)	(22,264)
Net Cash Used in Financing Activities	(63,137)	(310,671)
Effect of Exchange Rates on Cash	(146)	88
Net Decrease in Cash and Cash Equivalents	2,549,927	(395,602)
Cash and Cash Equivalents, beginning of year	1,550,330	1,945,932
Cash and Cash Equivalents, end of year	$ 4,100,257	$ 1,550,330

The accompanying notes are an integral part of these statements.